

**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION**

PUBLIC NOTICE

Pursuant to 42 C.F.R. §447.205, the Department of Human Services (DHS), Med-QUEST Division (MQD) hereby notifies the public that the MQD intends to submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS).

Under Provisions of federal law, the state is required to issue public notice of proposed changes in statewide methods and standards for setting Medicaid payment rates.

Hawaii is selecting a new state plan option to provide 12 months of continuous postpartum coverage in Medicaid and Children's Health Insurance under section 9812 and 9822 of the American Rescue Plan Act of 2021 (ARP) (see SPA 22-0008 attachment post at <https://medquest.hawaii.gov/en/about/state-plan-1115.html>). This opportunity will allow Hawaii to provide care in working toward reducing pregnancy-related deaths and severe maternal morbidity. The new option begins on April 1, 2022, and is currently limited to a 5-year period from that date.

To implement the extended coverage post-pregnancy, SPA 22-0009, Pregnant Woman Proxy Payment Methodology, is needed to describe the proxy payment methodology for the extension in order to ensure Hawaii can continue to receive the higher federal Medicaid matching rate for those women who would have been eligible for the higher federal matching percentage if the women had been moved to the "Low Income Adult" group if it were not for the extended postpartum coverage.

This payment methodology is described in a new supplement section 19 to Attachment 2.6-A .and outlines the criteria used to adjust the total expenditures for individuals obtaining 12-month postpartum coverage, validation of these costs based on statistically valid data and state attestation to application approval processes. This amendment is expected to have minimal effect on the annual aggregate expenditures

A printed copy of the proposed changes and special accommodations (i.e., interpreter, large print or taped materials) can be arranged if requested by contacting the Policy and Program Development Office at (808) 692-8058 no later than seven (7) working days before the comment period ends.

Comments should be received **within 30 days** from the time this notice is posted. Individuals may submit written comments using the following methods:

By email: PPDO@dhs.hawaii.gov (Please identify in the subject line: State Plan Amendment 22-0009)

By mail:

Department of Human Services
Med-QUEST Division
Attention: Policy and Program Development Office
P.O Box 700190
Kapolei, Hawaii 96709

DEPARTMENT OF HUMAN SERVICES, MED-QUEST DIVISION
JUDY MOHR PETERSON, PhD
MED-QUEST DIVISION ADMINISTRATOR

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: HAWAII

PAYMENT METHODOLOGY FOR PREGANT WOMAN POST-PARTUM 12 MONTH EXPANSION

Under Sections 9812 and 9822 of the American Rescue Plan Act of 2021, Hawaii provides 12 months of extended post-partum coverage to pregnant individuals enrolled in Medicaid and CHIP beginning April 1, 2022, available through March 2027 (or other date as specified by law).

Hawaii provides full benefit coverage to individuals who are eligible for and enrolled in Medicaid or CHIP while pregnant (including during a period of retroactive eligibility are eligible for extended coverage through the last day of the month in which their 12-month post-partum period ends).

PART 1 BASIS FOR INCREASED FMAP IF INDIVIDUAL IN PREGNANT WOMAN CATEGORY IN THE POST-PARTUM PERIOD WERE TRANSITIONED TO THE LOW-INCOME ADULT GROUP.

- Hawaii is using the methodology described in Part 2 and 3 below to implement this option.

PART 2 CRITERIA AS AN ADJUSTMENT TO THE TOTAL EXPENDITURES FOR THE INDIVIDUALS OBTAINING 12-MONTH POST PARTUM COVERAGE

- The 12-month post-partum period **begins** when the individual pregnancy ends and **ends** at the end of the month of the 12-month postpartum period.
 - Postpartum coverage (including the 12-month extension) is available to individuals regardless of how the pregnancy ends.
 - Post-partum coverage will be no less than a period of 12 months.
- A. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Pregnant Woman Group FMAP Methodology

1. The state:

Applies special circumstances adjustment(s).

Does not apply a special circumstances adjustment.

TN No. 22-0009

Supersedes

Approval Date: _____

Effective Date: 04/01/2022

TN No. NEW

PART 3 AUDIT AND STATISTICALLY VALID DATA

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the pregnant woman group described in 42 CFR 435.116 and receiving benefits in accordance with 42 CFR Part 440 Subpart B and C.

For individuals who meet the 12-month postpartum eligibility requirements, the state will make an individual income-based determination. If the individual meets the low-income standard between 100 percent of the federal poverty level (FPL) and 133 percent of the FPL they are eligible for the increased FMAP.

Methodology:

Med-QUEST conducted a retrospective analysis to identify women who were included in a pregnancy eligibility category anytime between January 1, 2015-December 31, 2019 (STEP 1). The time period chosen reflected operations prior to the Public Health Emergency; multiple years of data were included to assure an adequate sample size to produce stable estimates.

In STEP 2, each identified pregnant woman was assigned to one of three groups: women who were not in Medicaid prior to entering Medicaid in the pregnancy eligibility category, women who were in the Low-Income Adult (LIA) group prior to their transition to the pregnancy eligibility category, and women who were in another eligibility group (non-LIA) prior to their transition to the pregnancy eligibility category.

Within each group assigned in Step 2, women were parsed into one of three sub-groups: women who disenrolled from Medicaid when their pregnancy eligibility ended, women who transitioned to the Low-Income Adult group when their pregnancy eligibility ended, and women who transitioned into another eligibility group when their pregnancy eligibility ended (STEP 3).

Based on the results of STEP 3, each of the three sub-groups consisting of women who transitioned to the LIA group following completion of pregnancy were considered to be eligible for inclusion, as they represented the total number of women who became eligible for LIA following pregnancy. By contrast, each of the three sub-groups consisting of women who transitioned to any non-LIA group following completion of pregnancy were considered to be ineligible for inclusion, as these represented women who transitioned to groups other than LIA. Finally, the three sub-groups of women who were disenrolled from Medicaid following completion of pregnancy were analyzed further in Steps 4-6.

In STEP 4, women who disenrolled from Medicaid when their pregnancy eligibility ended were parsed by citizenship into those who were COFA citizens and those who were not COFA citizens. COFA citizens were not covered by Medicaid between 2015-2019 but became eligible for Medicaid coverage as of October 2021.¹ In the subsequent step, STEP 5, COFA citizen women who were disenrolled from Medicaid when their pregnancy eligibility ended were parsed by those who did not meet income criteria for LIA eligibility (0-133% FPL). Finally, in STEP 6, Among COFA citizen women who were disenrolled from Medicaid when their pregnancy eligibility ended and met the income criteria for LIA eligibility, we parsed women who were disenrolled due to ineligibility pertaining to their Citizenship status from those who were disenrolled for other reasons. Steps 4-6 allowed for the identification of women who were COFA citizens who would prospectively be eligible for LIA following pregnancy. As such, each of the three sub-groups consisting of women who were COFA citizens, met income criteria for LIA, and were disenrolled due to ineligibility pertaining to their Citizenship statuses were considered to be eligible for inclusion.

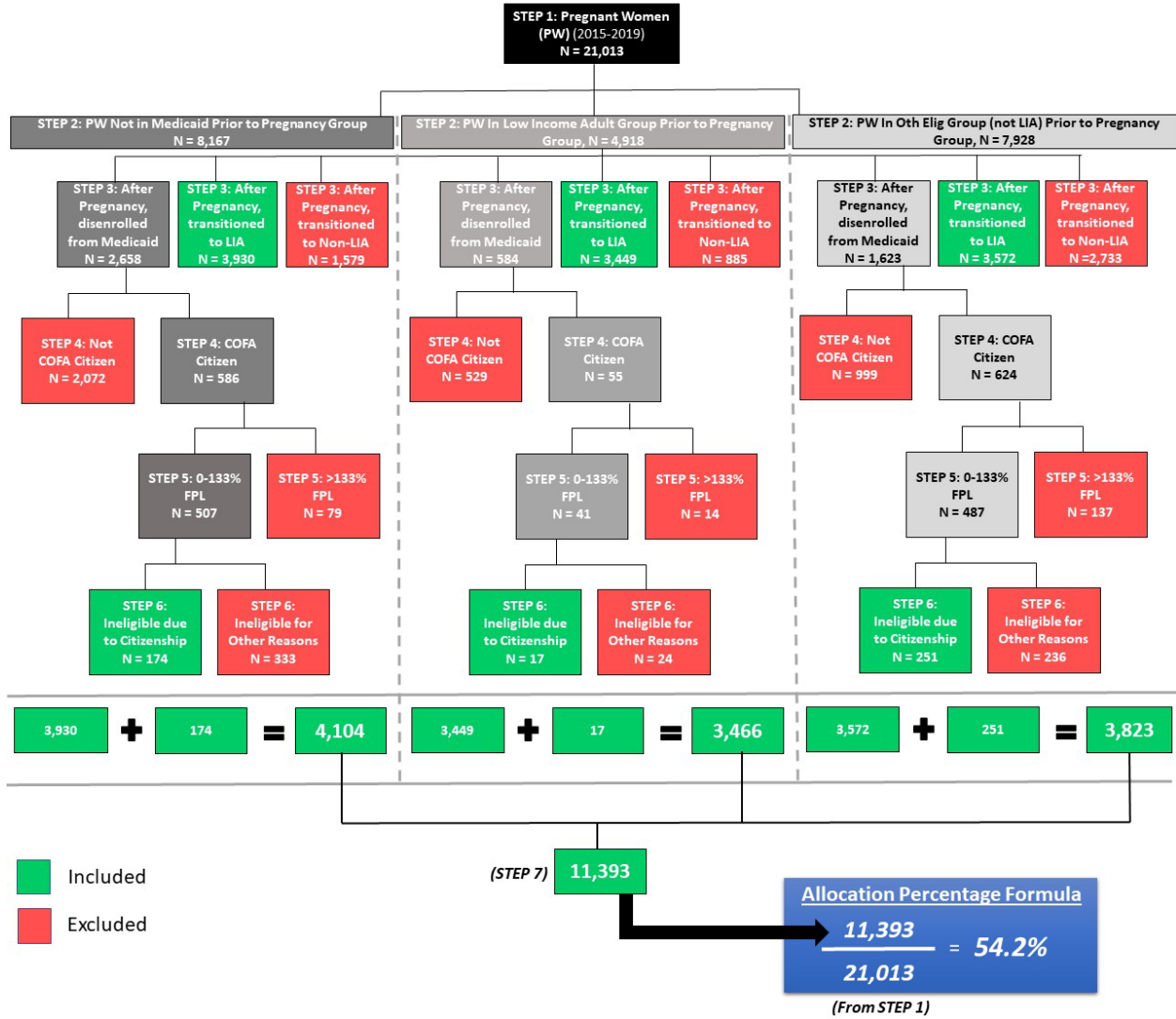
In the final step (STEP 7), the total number of women from all groups considered to be eligible for inclusion were added together and divided by the total number of pregnant women to identify the allocation percentage.

Results:

During the five-year period from 2015 to 2019, a total of 21,013 women were in the pregnancy eligibility category for some period of time. The analysis revealed that of these, 10,951 women were transitioned into the LIA group following the end of their pregnancy eligibility status. An additional 442 COFA citizens whose Medicaid eligibility was terminated due to their Citizenship status were also found to have met the income criteria for LIA eligibility. In total, this represented 11,393 women out of the total 21,013 women who were in a pregnancy eligibility category. Using these numbers, the allocation percentage was calculated to be $11,383/21,031 = 54.2\%$. Figure 1 includes detailed documentation of the outputs of each step in the analysis.

Figure 1: Methodology for calculating cost allocation methodology for Post-Partum Pregnancy Enhanced FMAP

¹ SHO # 21-005 Re: Medicaid Eligibility for COFA Migrants. <https://www.medicaid.gov/federal-policy-guidance/downloads/sho21005.pdf>



PART 4 STATE ATTESTATIONS

The State attests to the following:

- A. The application of the pregnant woman group 12-month post-partum expansion FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult 12-month post-partum pregnant woman group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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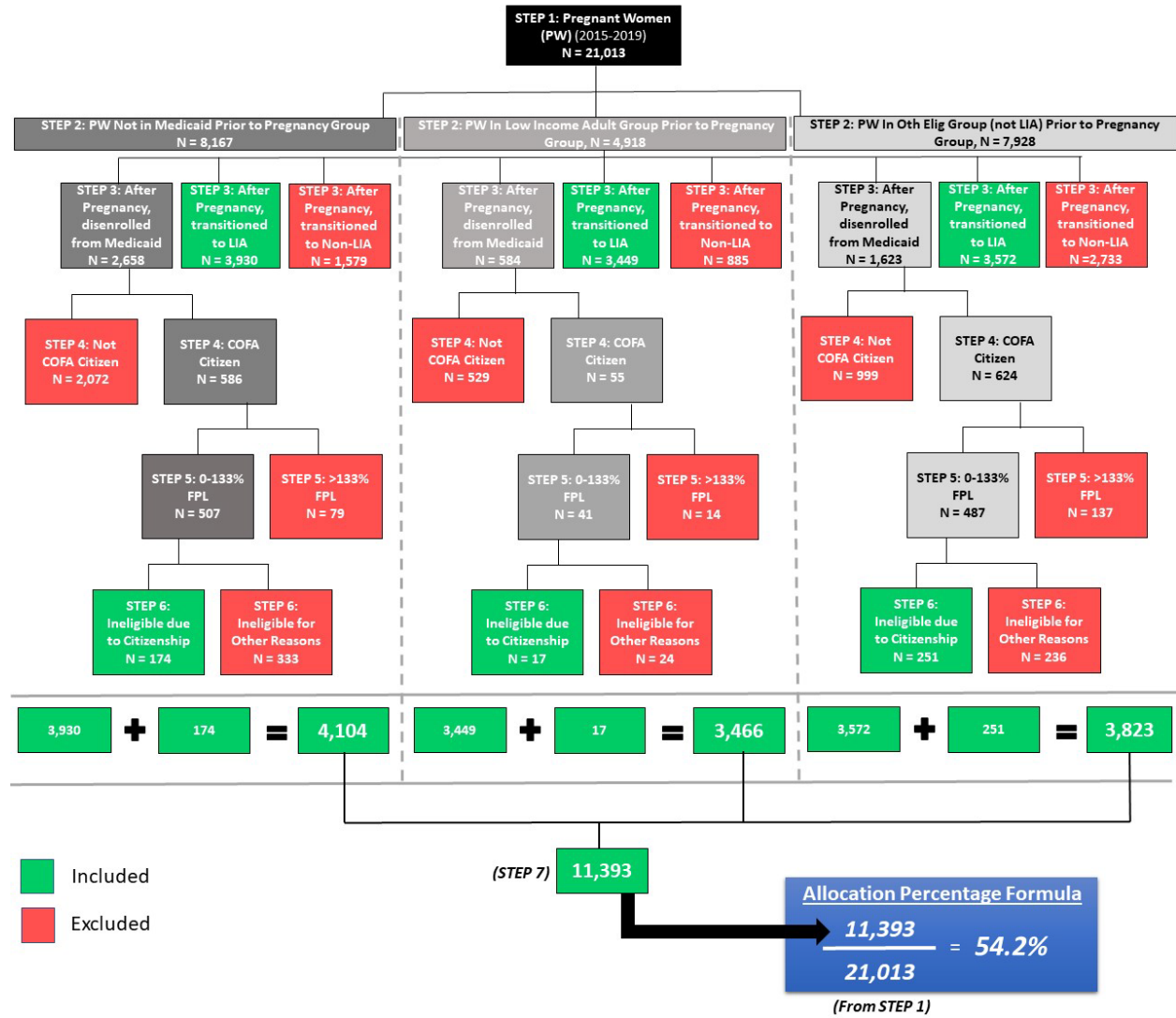
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